



COMPETITIVE SOURCING

*A-76, the FAIR Act, the President's Management Agenda,
and what they mean to you*

“Government should be market-based. We should not be afraid of competition, innovation and choice. I will open government to the discipline of competition.”

- George W. Bush



TODAY'S OBJECTIVES

- **Explain Competitive Sourcing Requirements**
- **Outline the NIH Competitive Sourcing Program**
- **Discuss the role of the NIH Employees**
- **Address your initial questions and concerns**



What is Competitive Sourcing?

- **Competitive sourcing is the process of acquiring recurring commercial services through open competition.**
- **Commercial Activities are services that can be found in the “Yellow Book”**
- **The Competitive Sourcing Program is**
 - **Required by the President’s Management Agenda**
 - **Coordinated with the Federal Activities Inventory Reform (FAIR) Act of 1998**
 - **Implemented through OMB Circular No. A-76 – Commercial Activities**
 - **Coordinated with the Federal Acquisition Regulations (FAR)**



What is Competitive Sourcing?

- **The Competitive Sourcing Program is NOT a requirement to outsource without competition**
- **Competitive sourcing decisions are formed through completion of cost comparisons and direct conversions**
- **The 1 page Hand-Out you received summarizes the three categories of Competitive Sourcing Methods**
 - **Generic Cost Comparisons**
 - **Streamlined/Expedited Cost Comparisons**
 - **Direct Conversions**
- **Properly done, it makes good business sense**



What are the NIH Requirements?

- **We must answer to the President, Congress and the American people**
- **We must cost compare or direct convert 25% of our commercial activities' FTE by the end of FY 04**

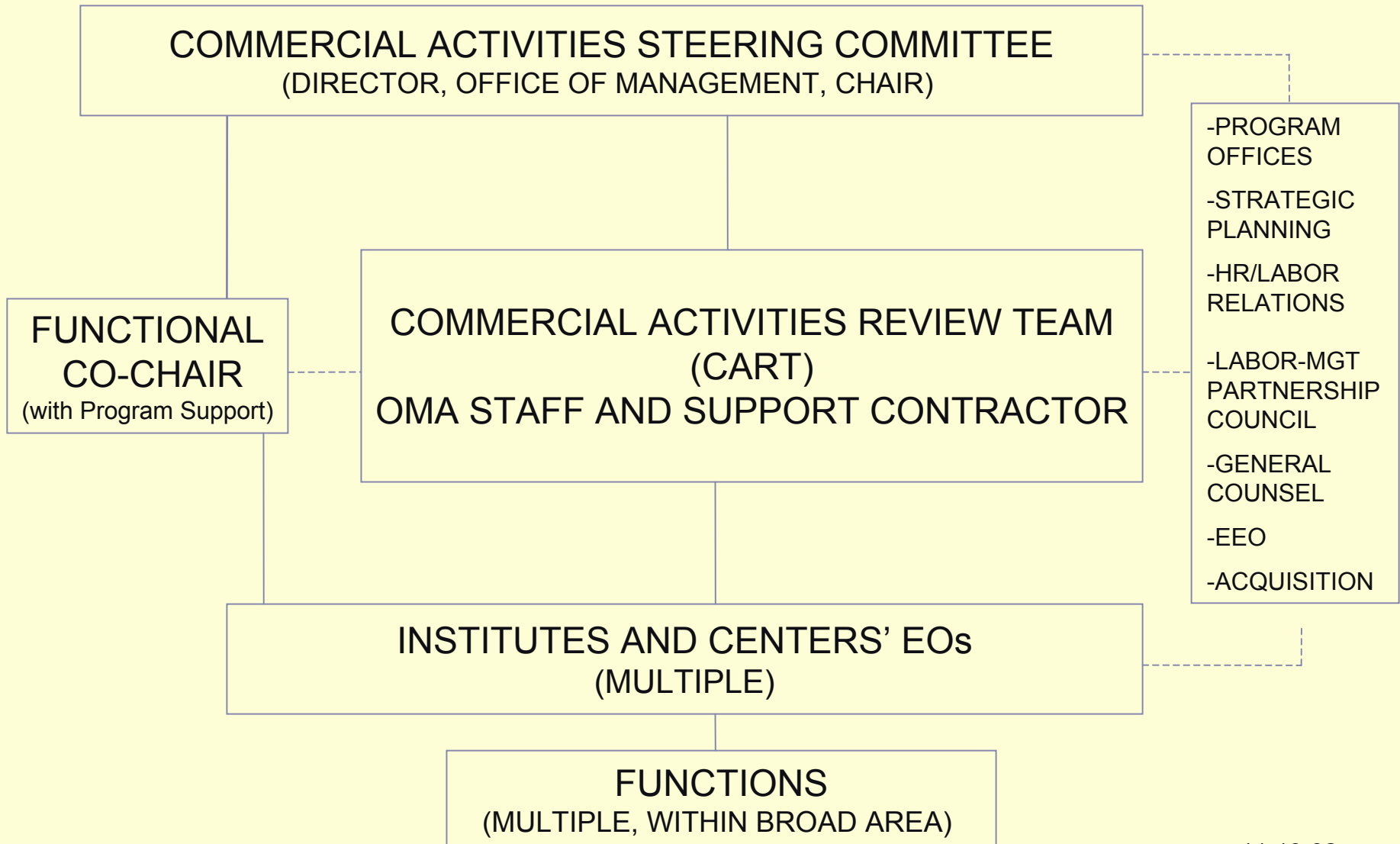


The NIH Competitive Sourcing Program

A Corporate Approach

- **Steering Committee**
 - **Chaired by Deputy Director for Management**
 - **Consists of a representative group of EOs and key OD officials**
- **Commercial Activities Review Team (CART) and contract support**
- **ICs' EO and A-76 Contacts**
- **NIH Program and Staff Offices**
- **Co-Chairs**
- **Office of Strategic Management Planning**
- **HR, Acquisition, General Counsel, OIR, OER, Facilities, etc.**
- **Co-Chairs**
- **NIH Labor-Management Partnership Council**

NIH COMMERCIAL ACTIVITY ORGANIZATION





The NIH FAIR Act Inventory

Process

- **2002 Inventory based upon employees' preponderance of duties**
- **Decision model helped identify best opportunities for competition**
- **Co-Chairs clarify inventory for consistency, accuracy and completeness**
- **Data collection**
- **Announce and begin studies**

NIH BROAD FUNCTIONAL AREAS

COST COMPARISON METHODOLOGIES, #FTE, #REVIEWS

NIH BROAD FUNCTIONAL AREAS

INFORMATION TECHNOLOGY	PERSONNEL	GENERAL ADMINISTRATIVE	FACILITIES AND INSTALLATION SERVICES	R&D	Grants	Finance
7 Expedited (221 FTE) (or Direct)	3 Expedited (68) (or Direct)	5 Expedited (74) (or Direct)	20 Expedited (357) (or Direct)	9 Expedited (265) (or Direct)	7 Expedited (115) (or Direct)	5 Direct/Exempt (30) (or Direct)
3 Full Reviews (381 FTE)	1 Full Review (139 FTE)	0 Full Reviews (0 FTE)	3 Full Review (424 FTE) (includes 34 Fire FTE)	0 Full Review (0 FTE)	2 Full Review (213 FTE)	0 Full Review (0 FTE)

SUMMARY:

November 18, 2002

EXPEDITED OR DIRECT CONVERSION (65 OR LESS FTE) = 1130 FTE in 56 Functions (Target 930 FTE)

FULL GENERIC COST COMPARISONS (MORE THAN 65 FTE) = 1157 FTE in 9 Functions (Target 930 FTE)



What Actions Can NIH Employees Expect?

- **Ongoing communication and training**

<http://a-76.nih.gov>

- **Involvement in data collection interviews**



How NIH Employees Might Be Affected

- **Human Resources Issues**
- **Restructuring Issues**



Questions